

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 97 – HB 396

February 21, 2023

SUMMARY OF BILL: Increases the the maximum weekly workers' compensation death benefit, to any person with at least one dependent or surviving spouse for any injury occurring on or after July 1, 2023, from 66.67 percent, or 50 percent in case of a surviving spouse with no dependent children or one dependent orphan, to 75 percent of the employee's average weekly wage, up to 100 percent of the state's average weekly wage, rather than up to 110 percent of the state's average weekly wage, as determined by the Department of Labor and Workforce Development.

Removes remarriage as a terminating event regarding workers' compensation death benefits. Authorizes an orphan or other child, being physically or mentally incapacitated and employed or enrolled in an apprenticeship program, to be paid workers' compensation benefits until 22 years of age.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- This legislation will generally increase workers' compensation death benefits payable to various dependents of a deceased employee in certain instances.
- Workers' compensation benefits, under Tennessee law, are paid by insurers, self-insured employers, and third-party administrators.
- Employers are required to provide workers' compensation insurance to its employees, paying premiums to insurers, employers who are self-insured, or third-party administrators.
- State government employees receive workers' compensation through the Department of Treasury.
- Based on the information provided by the Treasury's Division of Claims and Risk Management, this legislation is estimated to have no significant impact on the department on operations or expenditures.
- County, municipal, and city governments are not required to hold workers' compensation, but may opt-in and purchase a workers' compensation policy or self-insure, wherein the case of deceased employee, the dependents of such employee would be paid by the respective insurance carrier or the government itself.

- Any local government that is self-insured is likely large, such as the Nashville-Davidson County Metropolitan government, which holds its own on-the-job injury policy.
- It is assumed that this legislation will not result in a significant increase in workers' compensation premiums or expenditures directly paid by local governments.

IMPACT TO COMMERCE:

Other Fiscal Impact – Any impact on Tennessee jobs or commerce is dependent upon multiple unknown factors and cannot be determined with reasonable certainty.

Assumptions:

- This legislation will increase workers' compensation death benefits payable to applicable dependents of a deceased employee and the claims of such dependents, resulting in an increase in expenditures for insurers, self-insured employers, and third-party administrators.
- Any such increase is dependent upon multiple unknown factors and cannot be determined with reasonable certainty.
- Any such increase could result in underwriters increasing workers' compensation premium rates for businesses which experience high rates of workplace deaths.
- Any such increase in premium payment for applicable employers is based on multiple unknown factors and cannot be determined with reasonable certainty.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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